

DD / S REGISTRY

FILE *Project (Main)*

24 February 1964

MEMORANDUM FOR : Inspector General

SUBJECT : Report of Audit Investigation of
[REDACTED]
1 September 1961 - 31 August
1963

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REFERENCE : Memorandum dated 8 November
1963 from Inspector General
Requesting TSD Response to
Subject Audit

1. On 11 November 1963 after reviewing subject audit a meeting was held in AED/P's office which was attended by DD/S, General Counsel, Chief/TSD, Chief/Support/TSD and chaired by ADD/P. At this meeting it was the consensus that TSD terminate its contractual relationship with [REDACTED] effective thirty days from 15 November 1963.

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2. As a result of this meeting, Colonel White, DD/S, delegated the contract termination responsibility to the Director of Logistics. The final contract negotiation has been completed, however, the final reports have not been submitted and we have been advised that the net settlement figure for the entire negotiation and settlement as adjusted by the negotiator was \$20,600.63. The only unresolved item in this negotiation is the equipment.

3. During the termination negotiations [REDACTED] offered \$2500 for specific furniture and equipment that were either furnished by this Agency or purchased with Agency funds. The negotiator took the position that he was not technically qualified to either accept or reject this offer without further guidance from Headquarters. A meeting was held on 10 February with

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representatives from [REDACTED], Office of Logistics and TSD, Mr. [REDACTED] was designated as the responsible officer to develop current value of the furniture and [REDACTED] of TSD is the responsible officer for developing current value of the equipment. The results will be submitted to the Procurement Division, Office of Logistics, for final decision on whether the Agency will accept the \$2500 offer or renegotiate this point with [REDACTED]

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4. Attached for your information are copies of pertinent papers which deal directly with the [REDACTED] audit report and the termination negotiations:

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a. Memorandum for the Record, dated 19 November 1963 on meeting held in ADD/P's office.

b. Memorandum prepared by [REDACTED] to Chief/ TSD on his review of [REDACTED] audit report.

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c. Copy of (report on additional reports) prepared by [REDACTED] contract terminators.

5. This memorandum is to be considered as an interim report and a final one will be forwarded on receipt of the final reports from the contract negotiators.

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[REDACTED]
[REDACTED]
Chief,
Technical Services Division

Attachments: 3

As stated above.

Distribution:

2-Addressee

1-DD/S